

MINUTES OF THE CITY COUNCIL  
CITY OF AUSTIN, TEXAS  
Special Called Council Meeting

November 9, 1978  
8:30 A.M.

Council Chambers  
301 West Second Street

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The meeting was called to order with Mayor McClellan presiding.

Roll Call:

Present: Mayor McClellan, Mayor Pro Tem Cooke, Councilmembers Goodman, Himmelblau, Mullen, Snell, Trevino

Absent: None

Mayor McClellan opened the Special Called Meeting for discussion of the bond issue which the Council is targeting for election on January 20. She noted that the Council was delivered some more materials Wednesday evening which were in answer to questions that the Council had in the previous week's meeting. She further noted that if the Council had any further questions or comments, now was the time to ask them.

Councilmember Himmelblau stated that she didn't have any real questions to ask but that she was considering a possible delay in some of the categories in question, because there will be a bond election next year for water and wastewater. She said that they are trying to cut the General Obligation Bonds down and that they haven't gotten to the electric yet. She said that perhaps the Police and Courts could be delayed completely. In addition, the EMS could be delayed and they could discuss what they would like to do with the Hospital.

Councilmember Cooke asked what effect cutting \$2,000,000 off the paying aspect of Public Works would have. He asked John German, Director of Public Works, to look at the \$17,000,000 and let the Council know it was going to impact the most or what types of programs would have to be deleted in a maintenance and development program over 36 months, in order to cut \$2,000,000 out of the bond election.

Mr. German replied that he would be glad to identify the projects at the bottom of the priority list that would make up the \$2,000,000.

Councilmember Cooke stated that he would have to "echo" Councilmember Himmelblau's comments regarding Police and Courts, EMS and the Hospital. In fact, he stated, perhaps we need to take another look at Parks and Recreation as well, considering that there is \$8,000,000 budgeted in that area. He further stated that every area of the general obligation bonds need to be analyzed as for scrutiny before the Council can be prepared to take it to the voters. He alluded to the fact that although any and every area will definitely impact how the City will be able to respond in the next three or four years, that no area in the G.O. category should be ignored. He further noted that although there have been some difficult decisions to be made concerning electric, the amount of money to be "put-out" should be scrutinized.

Mayor McClellan asked Mr. R.L. Hancock, Director of Electric Utilities, to brief the Council regarding a memo pertaining to the Electric Capital Program.

Mr. Hancock spoke to the memo dated November 8 which was in response to Councilmember Mullen's question regarding the cash flow on the nuclear project. He said that on "Attachment I is tabulated a new Bond Authority Requirement, under the five year and three year concept that Council asked...and under 16% nuclear fuel distribution in there and 8% nuclear fuel distribution in there...the bottom line is that these latest figures for a five year program, with a 16% nuclear fuel distribution, is \$126,000,000...the old number was \$120,000,000. Now the reason for the increase is the fact that the project schedule has slipped...nuclear fuel...we have not been able to slip that schedule yet...there is potential for slipping that schedule, but it just takes time to work those arrangements out...so that we have about 18 months of additional fuel plugged in there that we have not yet been able to slip. There is potential for doing that, but I think that it would be wise not to anticipate it until we're sure we can do it. The three year program anticipates a reduction in the authority under the new numbers - from the old number of \$113,000,000 to a number of \$107,000,000. Now if one looks at...and this is on Attachment II in that memorandum...if one looks at the 8% nuclear participation, opposed to the current 16% participation and the distribution of that nuclear fuel through the working capital section, the bond issue requirements change from the previous number of about 97.7 million for a five year program to a new number of 102.6 million. The three year program is reduced from the old number of 91.6 million to a new number of 90.697 million; and, that simply reflects that impact."

Mr. Hancock continued. "If the nuclear project is reduced and this nuclear fuel is reflected to the extent tabulated here, and we choose to replace that reduced capacity with lignite facilities in either 1986 or 1990 and if we chose to do in 1986, it would require, in late calendar 1979, a new additional bond authority for that generating facility of about \$218,000,000. If we chose to defer that until 1990, and that would result in higher rates, that new bond authority required would be \$286,000,000 and it would be required in 1983 for a 1990 completion.

Attachment II is the cash flow tabulation that was presented previously to the Council, with the addition of a nuclear plant cash flow. Now that heading on Attachment II, in the last column, is nuclear. That really should be the South Texas Project Plant - the plant proper, does not include fuel. Now that is for full participation and you'll notice that under the conventional electric column, on a cash flow basis, funds are depleted in April.

We were requested to do a reduced electric expansion program...cut as much as we could cut...uh, we were able to cut a few projects. On that basis, funds would be depleted in May of 1979. Now, for the nuclear project, considering the anticipated cash flow, our present authority would be depleted in July of 1979 and that represents a slight advance of what had previously been conveyed to the Council on the basis of the new cash flows for the plant and the new plant cost."

Mr. Hancock continued with his explanation. "Attachment III, which is the last page in that transmittal, makes the same cash flow analysis but makes it for an 8% participation in the project; and, that simply means that the conventional electric would be depleted in May - that would be slipped one additional month. Under the reduced program, that would still be depleted in May, which means no change there and of course, the nuclear project would be adequately funded and would require no additional authority, either in that year or for the completion of the project, for that matter."

Councilmember Cooke inquired of Mr. Hancock. "So, you've got new money requirements in roughly May or April of 1979, whether we're 16% or 8%?"

Mr. Hancock replied. "Yes, it only slips per conventional system. It only slips it probably half a month."

Councilmember Cooke stated, "The basic difference on the transmission lines that would be hooking up with Fayette down to Bay City...you mentioned earlier that if there was a move by the citizens not to participate there, that the only thing...the one thing that was of concern to you was our tentative obligation with the City of Houston in 1980 and 1981 on that contract... that we wouldn't be able to have the inter-connect capability that we had foreseen when we signed that obligation with the City of Houston. Is that right?"

Mr. Hancock replied that was correct. He said that the Council might recall that they had requested that we look into or analyze the technical aspects of that and that we are making an analysis at the present time (a low flow analysis) with contingencies on other lines in the inter-connection being out.

Mayor McClellan asked Mr. Hancock what if we had no participation in the South Texas Project. She further stated that the Council needed that particular information in written form.

Councilmember Cooke noted that the report had been helpful to him and he appreciated it.

Councilmember Himmelblau asked Mr. German what was obligated by the 1975 bond election to complete Spicewood Springs.

Mr. German replied that it was about \$600,000. He stated that the amount that was shown on the project data sheet reflects about that sum.

Councilmember Himmelblau noted that she thought more than a million dollars was put in for Spicewood Springs - enough to carry it, not the way

it is engineered now but the way it was engineered the first time without the median, one block west of Mesa from Balcones.

Mr. German replied that he thought the sum was \$687,000, not the million that Councilmember Himmelblau believes it to be.

City Manager Dan Davidson stated that the intent to extend Spicewood Springs was correct but that the figure was less than \$1,000,000.

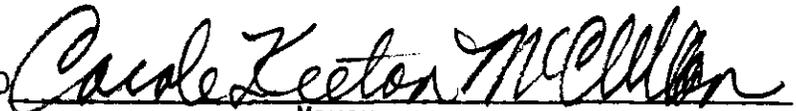
Councilmember Himmelblau asked if there is any way of reprogramming some of the HCD money, rather than asking for additional monies during the bond election, for some of the projects that were eaten away by inflation.

Daron Butler, Budget Director, replied that we had not specifically identified that and that our option would be a narrow one depending on the location of the projects. He said that we can examine the projects that need additional funding and see if they are in eligible areas. He suggested a report for the Council at a later date.

ADJOURNMENT

The Council adjourned its Special Called Meeting at 9:05 A.M.

APPROVED

  
Mayor

ATTEST:

  
City Clerk